

2005-428

Western Rockcastle Water Association

P.O. Box 627, Mt. Vernon, KY 40456

606-256-8283

October 17, 2005

RECEIVED

Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

OCT 18 2005

PUBLIC SERVICE
COMMISSION

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Western Rockcastle Water Association. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The Association will publish the enclosed public notice of these requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice will be forwarded to you upon publication.

Sincerely, .



Charles Denver Burton
President

enclosure

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)

Western Rockcastle Water Association
(Name of Utility)

10-06-05
(Date)

P.O. Box 627
(Address)

Mt. Vernon, Kentucky
(City, State)

606-256-8283
(Telephone Number)

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate shedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>Southern Madison WD</u> -	<u>See schedule</u>	<u>No change</u>
<u>City of Mt. Vernon</u>	<u>\$2.05</u>	<u>\$2.16</u>
<u> </u>	<u> </u>	<u> </u>

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit 1
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From September 2004 through August 2005
 (month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>City of Mt. Vernon</u>	<u>274,246,500</u>
<u>Southern Madison WD</u>	<u>8,830,700</u>
TOTAL PURCHASES	<u>283,077,200</u>

4. Total sales for the 12 month period 245,669,200

5. Increased water cost \$30,167.11

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor— \$0.12

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date PSC effective date for Mt. Vernon's wholesale rate.

Charles W. Butler
(Signature of Utility Officer)

Pres.
(Title)

Western Rockcastle Water Association				
	Water Purchased			Sales
	Southern Madison	Mt. Vernon		
September	700,600	20,429,800		21,802,400
October	840,700	21,658,700		22,742,800
November	549,500	23,004,500		21,261,800
December	655,200	21,648,700		19,908,300
January	797,700	23,765,100		23,771,900
February	624,200	27,105,900		18,835,100
March	632,500	17,919,100		19,552,300
April	664,200	22,138,700		17,687,300
May	676,700	22,777,600		19,185,000
June	728,500	23,504,800		18,795,000
July	976,400	25,003,800		20,290,100
August	984,500	25,289,800		21,837,200
Total	8,830,700	274,246,500		245,669,200
Purchased Water Expense				
Southern Madison:				
	Bills	Gallons	Rate	Expense
First 2,000	12	24,000	\$11.43	\$137.16
Next 1,000		12,000	5.623	67.48
Next 3,000		36,000	5.213	187.67
Next 4,000		48,000	4.753	228.14
Next 15,000		180,000	3.873	697.14
Next 25,000		300,000	3.573	1,071.90
Over 50,000		8,230,700	3.023	24,881.41
Total		8,830,700		\$27,270.85
City of Mt. Vernon:				
Current Rate		274,246,500	\$2.05	\$ 562,205.33
Revised Rate		274,246,500	2.16	592,372.44
Total Water Cost at New Rates				\$ 619,643.29
Water Cost at Old Rates				589,476.17
Increase in Water Cost				\$ 30,167.11
Purchased Water Adjustment				\$ 0.12

**City of Mt. Vernon – Water and Sewer Division – P.O. Box 1465
Mt. Vernon, Kentucky 40456 606-856-3437**

September 20, 2005

Hon. Walter Cash, Mayor
City of Brodhead
P.O. Box 556
Brodhead, Kentucky 40409

Mr. Randall Corry
Eastern Rockcastle Water Association
P.O. Box 540
Mt. Vernon, Kentucky 40456

Mr. Charles Denver Burton
Western Rockcastle Water Association
P.O. Box 621
Mt. Vernon, Kentucky 40456

RE: Rate Study

Dear Sirs:

Enclosed is a copy of the cost of service study prepared by the Kentucky Rural Water Association. It has been determined that Mt. Vernon was not covering its cost of selling water to its retail customers and wholesale customers. The wholesale rate is currently \$2.05 per 1,000 gallons. The study shows that the wholesale rate should be \$2.16 per 1,000 gallons.

Mt. Vernon had the first reading of an ordinance to increase its rates on September 19, 2005. The second reading will be on October 3, 2005. Mt. Vernon plans to file with the Kentucky Public Service Commission on October 7, 2005 to increase its wholesale rates effective with bills rendered on and after November 9, 2005.

If you would like to meet with me and Carryn Lee of Kentucky Rural Water Association to discuss the study and the revised wholesale rate please let me know.

Sincerely,


Clarice Kirby, Mayor

Enclosure

NOTICE

Due to a rate increase from the City of Mt. Vernon, the Western Rockcastle Water Association has filed an application with the Public Service Commission to implement the following rate schedule. The proposed change will affect all bills issued on and after November 2005.

<u>Monthly Rates</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
<u>5/8" x 3/4" Meter</u>		
First 2,000 gallons	\$15.04 Minimum Bill	\$15.28 Minimum Bill
Next 3,000 gallons	5.42 per 1000 gallons	5.54 per 1,000 gallons
Next 5,000 gallons	5.02 per 1000 gallons	5.14 per 1,000 gallons
Next 15,000 gallons	4.52 per 1,000 gallons	4.64 per 1,000 gallons
Over 25,000 gallons	3.42 per 1000 gallons	3.54 per 1,000 gallons
 <u>1" Meter</u>		
First 5,000 gallons	\$31.30 Minimum Bill	\$31.90 Minimum Bill
Next 5,000 gallons	5.02 per 1000 gallons	5.14 per 1,000 gallons
Next 15,000 gallons	4.52 per 1000 gallons	4.64 per 1,000 gallons
Over 25,000 gallons	3.42 per 1,000 gallons	3.54 per 1,000 gallons
 <u>1-1/2" Meter</u>		
First 10,000 gallons	\$56.40 Minimum Bill	\$57.60 Minimum Bill
Next 15,000 gallons	4.52 per 1000 gallons	4.64 per 1,000 gallons
Over 25,000 gallons	3.42 per 1,000 gallons	3.54 per 1,000 gallons
 <u>2" Meter</u>		
First 25,000 gallons	\$124.20 Minimum Bill	\$127.20 Minimum Bill
Over 25,000 gallons	3.42 per 1000 gallons	3.54 per 1,000 gallons

The bill for an average customer using 5,000 gallons each month would go from \$31.30 to \$31.90, a monthly increase of \$0.60. or 1.9 percent.

The rates contained in this notice are the rates proposed by the Western Rockcastle Water Association. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Western Rockcastle Water Association has available for inspection at its office the application submitted to the Public Service Commission. You may contact the office at (606) 256-8283..

Western Rockcastle Water
PO Box 627
Mt. Vernon Ky 40456

7004 1350 0003 4541 1039



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40602



\$5.80

U.S. POSTAGE
MT. VERNON, KY, KY
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OCT 17 '05
RHDJMT
00059752-06

Executive Director
Ky Public Service Commission
PO Box 615
Frankfort Ky 40602

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